

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re:

Hardinge Inc., *et al.*,¹

Debtors.

Chapter 11

Case No. 24-11605 (JKS)

(Jointly Administered)

DECLARATION OF SCOTT A. CONERY

Scott A. Conery, being first duly sworn states under penalty of perjury:

1. I have personal information and knowledge of the facts in this Declaration, and those facts are true. I submit this declaration in support of OTW Bidder's (as defined below) right to a good faith finding under 11 U.S.C. §363(m); and its ability to provide adequate assurance of future performance under 11 U.S.C. § 365, as may be necessary and required.

2. Ohio Tool Work, LLC ("OTW Bidder"), an Ohio limited liability company, is the bidder for the Debtor Ohio Tool Works' assets related to the Debtors' Ohio Tool Works business (the "OTW Assets" and such bid the "OTW Bid").

3. The members of OTW Bidder are Scott A. Conery, Carrie Stewart, and Timothy Merkel (collectively, the "OTW Bid Members").

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number are: Hardinge Ventures LLC (0586); Ohio Tool Works, LLC (7569); Kellenberger Swiss Grinding Machines, LLC (N/A); Hardinge Inc. (0200); Hardinge Technology Systems, Inc. (6427); Forkardt Inc. (4671); and Hardinge Grinding Group Inc. (6173). The Debtors' service address is One Hardinge Drive, Elmira, NY 14902-1507.

4. I am the majority owner or 100% owner of Conery Manufacturing, Inc., Ball Bounce and Sport, Inc., Hedstrom Plastics, Inc. Hedstrom Toys, Ltd., Hedstrom Fitness, LLC, and Septic Products, Inc. (collectively, the "Conery Companies") located in Ashland, Ohio.

5. The Conery Companies have gross annual sales in excess of \$100 million and have approximately 250-300 employees (at any given point) in Ashland and Richland Counties, rural counties approximately halfway between Cleveland, Ohio and Columbus, Ohio. The Conery Companies are integral to the economic well-being of Ashland and Ashland County, Ohio, and the surrounding regional area. In fact, certain of the Conery Companies have survived and thrived after their purchase from prior bankruptcy proceedings of prior owner(s).

6. OTW Bidder has the funding and support of the OTW Bid Members, including a significant equity investment in OTW Bidder by me, and has the financial capability to perform the obligations under the proposed asset purchase agreement, as same may have been modified and amended the ("OTW APA"), and submitted with the OTW Bid. I also confidentially submitted evidence to Debtors' investment banker and attorneys of personal liquid assets of not less than \$8 million with the OTW Bid.

7. OTW Bidder, the OTW Bid Members, and other members of the management teams at the Conery Companies have a proven track record and the operational capability to move forward successfully with OTW Assets and maintain an operational company (under new owners) in Ashland, Ohio. OTW Bidder is committed to a successful and operational company arising out of the sales transaction contemplated by the OTW APA.

8. OTW Bidder provides the following assurances of future performance: OTW Bidder (a) has sufficient financial resources to meet all obligations under any contract or lease it

may assume; and (b) has the operational expertise and experience to perform under any contract or lease it may assume.

9. Based on the foregoing, OTW Bidder respectfully submits that it has provided adequate assurance of future performance under Section 365 of the Bankruptcy Code.

10. OTW Bidder, OTW Bid Members, and/or the Conery Companies do not directly or indirectly own, control, or hold with power to vote, any of the outstanding voting securities or interests, as the case may be, of Debtor OTW or any of the other Debtors.

11. OTW Bidder and/or the Conery Companies are not entities, 20 percent or more of whose outstanding voting securities or interests, as the case may be, are directly or indirectly owned, controlled, or held with power to vote, by any Debtors, or by an entity that directly or indirectly owns, controls, or holds with power to vote, 20 percent or more of the outstanding voting securities or interests of Debtors, and is not otherwise an “insider” of Debtor OTW or any other Debtor.

12. No common identity of directors, officers, or any equity security holders now or has ever existed between any of the OTW Bidder and/or the Conery Companies and Debtors.

13. OTW Bidder recognizes that Debtors in these bankruptcy cases were free to deal with any other party interested in acquiring all or any portion of such Debtors’ assets. OTW Bidder complied in good faith and in all material respects with the provisions in the Sale Procedures Order and the Sale Procedures [Dkt No. 194]. All payments to be made by OTW Bidder and other agreements or arrangements entered into by OTW Bidder in connection with the sale transaction contemplated by the OTW APA have been disclosed. The negotiation and execution of the OTW APA were at arm’s length and in good faith at all times.

14. Neither Debtors nor OTW Bidder, OTW Bid Members, or Conery Companies engaged in any conduct (i) that would prevent a good faith finding under section 363(m) of the Bankruptcy Code or (ii) that would cause the application of or implicate 363(n) of the Bankruptcy Code to OTW Bidder, to the OTW APA, the consummation of the sale transaction contemplated by the OTW APA, or the transfer of the OTW Assets to OTW Bidder as I understand the meaning and intent of those provisions.

I declare under penalty of perjury that the above is true and correct to the best of my personal information, knowledge and belief.

Dated: September 12, 2024



Scott A. Conery